

Senate Bill No. 820

Passed the Senate September 8, 2005

Secretary of the Senate

Passed the Assembly September 7, 2005

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2005, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 5000, 5001, 5003, 5004, 5005, 5009, 5101, 5107, 10004.5, 10004.6, 10620, 10631, 10642, 10644, 10645, 10656, 10753.7, 10814, 10816, 10840, 10841, 10844, and 12924 of, to add Sections 142, 5010, 5011, 10826.1, and 10826.2 to, to repeal Sections 4999, 10822, 10823, 10824, and 10855 of, and to repeal and add Sections 10657, 10811, 10820, 10821, 10825, 10826, 10845, 10853, and 10854 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 820, Kuehl. Water.

(1) Under existing law, the Department of Water Resources operates the State Water Project, which includes state water facilities, as defined.

This bill would require the department, commencing in 2007, and every 2 years thereafter, to prepare and deliver to all State Water Project contractors, all city and county planning departments, and all regional and metropolitan planning departments within the project service area a report that accurately sets forth, under a range of hydrologic conditions, the then-existing overall delivery capability of the project facilities and the allocation of that capacity to each contractor.

(2) Existing law, with certain exceptions, requires a person who, after 1955, extracts groundwater in excess of 25 acre-feet in any year in the Counties of Riverside, San Bernardino, Los Angeles, and Ventura to file with the state board an annual notice of extraction.

This bill, on and after January 1, 2007, would impose parallel provisions for extractions in the remaining counties in the state. The bill would revise a provision that equates the failure to file the annual notice with nonuse of the groundwater. The bill would subject a person who fails to file the annual notice for a diversion or use that occurs on or after January 1, 2008, to civil liability, as prescribed. The bill would require funds received due to the imposition of civil liability to be deposited in the Water Rights Fund. The bill would make the notice requirement inapplicable in specific instances.

(3) Existing law, except as specified, requires each person who, after December 31, 1965, diverts water to file with the state board, before July 1 of the succeeding year, a statement of diversion and use. Existing law excepts diversions that are covered by an application, or a permit or license to appropriate water on file with the state board. Existing law also excepts diversions reported by the department in its hydrologic data bulletins or included in the consumptive use data for the delta lowlands published by the department in its hydrologic data bulletins. Under existing law, the making of any willful misstatement regarding statements of diversion or use is a misdemeanor and any person who makes a material misstatement under these provisions may be civilly liable. Under existing law, statements filed pursuant to those provisions are for informational purposes only, and, except as specified, neither the failure to file a statement nor any error in the information filed have any legal consequences.

This bill would also exempt diversions covered by a permit or license to appropriate water or a registration of appropriation for small domestic or livestock stockpond uses that are on file with the state board, specified diversions by the department from state water facilities, and certain diversions that occurred before January 1, 2006.

The bill would delete that informational purpose provision and expand the civil liability provision to apply to any person who fails to file a statement for a diversion or use that occurs on or after January 1, 2006. The bill would also make any person who fails to file a statement for a diversion or use that occurs on or after January 1, 2006, ineligible for funds made available pursuant to any program administered by the state board, the department, or the California Bay-Delta Authority.

(4) Under existing law, a plan for the orderly and coordinated control, protection, conservation, development, and utilization of the water resources of the state is known as the California Water Plan. Existing law requires the department to update the plan on or before December 31, 2003, and every 5 years thereafter. Existing law requires the plan to include a discussion of specified topics.

This bill would require a plan that is due on or after December 31, 2013, to include a discussion of the amount of energy both

produced by, and required by, each strategy, during peak and nonpeak use, that may be pursued to meet the future water needs of the state, and would require the department to release certain information regarding the amount of energy both produced by, and required to provide, current and projected water supplies.

(5) Existing law requires every urban water supplier to prepare and adopt an urban water management plan, as prescribed, including a requirement that the urban water supplier coordinate the preparation of the plan with other appropriate agencies, to the extent practicable. Existing law requires an urban water supplier to submit a copy of its plan to the department, the California State Library, and any city or county within which the supplier provides water supplies, and to make the plan available for public review during normal business hours.

This bill would include public utilities that provide electric or gas service among those coordinating agencies. The bill would require a plan to quantify the amount of energy both produced and required by certain existing and planned water sources and, with regard to a cost-benefit analysis for water demand management measures, to include energy costs and benefits of conserved water during periods of peak and nonpeak use. The bill would revise requirements relating to the provision of public notice with regard to the preparation and adoption of an urban water management plan. The bill would require an urban water supplier to submit a copy of its plan to additional entities, and to make the plan available for public review on its Internet Web site.

(6) Under existing law, if an urban water supplier fails to prepare, adopt, and submit an urban water management plan, it is ineligible for certain bond funds and drought assistance until it does so. Existing law, until January 1, 2006, also requires the department to take into consideration whether a plan has been submitted in determining eligibility for other program funds.

This bill would delete those provisions, and would, instead, make an urban water supplier that fails to prepare, adopt, and submit an urban water management plan ineligible for funds made available pursuant to any program administered by the state board, the department, or the California Bay-Delta Authority until it does so.

(7) Existing law authorizes a local agency whose service area includes a groundwater basin that is not subject to groundwater management to adopt and implement a groundwater management plan pursuant to certain provisions of law. Existing law requires a groundwater management plan to include certain components to qualify as a plan for the purposes of those provisions, including a provision that establishes funding requirements for the construction of certain groundwater projects.

This bill, except as specified, would require a local agency to update the plan on or before December 31, 2008, and every 5 years thereafter. The bill would require a local agency to submit a copy of its plan to specified entities not later than 30 days after the date of its adoption.

(8) Existing law relating to agricultural water management planning, until January 1, 1993, and thereafter only as specified, provides for the preparation and adoption of water management plans. That existing law defines “agricultural water supplier” or “supplier” to mean a supplier, either publicly or privately owned, supplying more than 50,000 acre-feet of water annually for agricultural purposes.

This bill would substantially revise existing law relating to agricultural water management planning to require every agricultural water supplier to prepare and adopt an agricultural water management plan, as prescribed, on or before December 31, 2010. The bill would delete the definition of “agricultural water supplier” or “supplier” and would, instead, require the department to conduct a survey of agricultural water agencies to gather data, assess and analyze that data, and recommend the appropriate minimum size of a water agency that should prepare an agricultural water management plan. The bill would require the department to report its findings and recommendations to the Governor and the Legislature before January 1, 2007. The bill would state the intent of the Legislature to respond to the department’s report, and enact legislation defining the term “agricultural water supplier.” The bill would require every person that becomes an agricultural water supplier to adopt an agricultural water management plan within one year after it has become an agricultural water supplier. The bill would require an agricultural water supplier to update the plan, file it, and make it available, as prescribed. The bill would make an agricultural

water supplier that fails to prepare, adopt, and submit a plan ineligible for funds made available pursuant to any program administered by the state board, the department, or the California Bay-Delta Authority. The bill would require an agricultural water supplier to make the plan available for public review on the supplier's Internet Web site, or as otherwise specified in the absence of an Internet Web site.

(9) Existing law requires the department to conduct an investigation of the state's groundwater basins and to report its findings to the Governor and the Legislature not later than January 1, 1980.

This bill, instead, would require the department to submit that report not later than January 1, 2010, and every 5 years thereafter. The bill would also require the department to assess, in the January 1, 2010, report, the effectiveness of certain groundwater management reports.

The people of the State of California do enact as follows:

SECTION 1. Section 142 is added to the Water Code, to read:

142. Commencing in 2007, and every two years thereafter, the department shall prepare and deliver to all State Water Project contractors, all city and county planning departments, and all regional and metropolitan planning departments within the project service area, a report that accurately sets forth, under a range of hydrologic conditions, the then-existing overall delivery capability of the project facilities and the allocation of that capacity to each contractor. The range of hydrologic conditions shall include the historic extended dry cycle and the long-term average. The biennial report shall also disclose, for each of the 10 years immediately preceding the report, the total amount of project water delivered and the amount of project water delivered to each contractor. The information presented in each report shall be presented in a manner readily understandable by the public.

SEC. 2. Section 4999 of the Water Code is repealed.

SEC. 3. Section 5000 of the Water Code is amended to read:

5000. As used in this part, the following terms have the following meanings:

(a) “Groundwater” means water beneath the surface of the ground whether or not flowing through known and definite channels.

(b) “Surface water” means water on the surface of the ground.

(c) “Four counties” means the Counties of Riverside, San Bernardino, Los Angeles, and Ventura.

(d) “Balance of the state” means all of this state, excluding the four counties.

(e) “Person” means all persons whether natural or artificial, including the United States of America, the State of California, and all political subdivisions, districts, municipalities and public agencies of or in either the state or the United States.

(f) “Sources” means any point of diversion or extraction of water and includes among other things wells, tunnels, and headworks.

(g) “Bulletin 118” means the department’s report entitled “California’s Groundwater: Bulletin 118” updated in 2003, or as it may be subsequently updated or revised in accordance with Section 12924.

(h) “Basin or subbasin” means groundwater basins or subbasins identified and defined in Bulletin 118.

SEC. 4. Section 5001 of the Water Code is amended to read:

5001. (a) Each person who, after 1955 in the four counties, and on and after January 1, 2007, in the balance of the state, extracts groundwater from a basin or subbasin in excess of 25 acre-feet in any year shall file with the board on or before March 1st of the succeeding year a “Notice of Extraction and Diversion of Water” in the form provided in Section 5002.

(b) No notice need be filed with respect to, and there shall not be required to be included in any such notice, any of the following:

(1) Information concerning the extraction or diversion of water from a source from which less than 10 acre-feet has been taken during such year.

(2) Information concerning a taking or diversion of surface water for the purpose of generating electrical energy and other nonconsumptive uses, and for incidental uses in connection therewith.

(3) Information concerning extractions or diversions of water that are included in annual reports filed with a court or the board

by a watermaster or water management engineer appointed by a court or pursuant to statute to administer a final judgment determining rights to water, which reports identify the persons who have extracted or diverted water and give the general place of use and the quantity of water that has been extracted or diverted from each source.

(4) Information concerning extractions or diversions of water that are included in the reports submitted to the Orange County Water District pursuant to the Orange County Water District Act.

(5) Information concerning extractions or diversions of water that are included in reports submitted to the Santa Clara Valley Water District pursuant to the Santa Clara Valley Water District Act.

(6) Information concerning water produced from petroleum, natural gas, or geothermal extraction operations that are reported to the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation pursuant to Section 3227 of the Public Resources Code.

(7) Information concerning extractions or diversions of water within groundwater basins or subbasins reported pursuant to Section 5010.

(8) Information concerning extractions or diversions of water within groundwater basins or subbasins reported pursuant to Section 5011.

SEC. 5. Section 5003 of the Water Code is amended to read:

5003. No prescriptive right that might otherwise accrue to extract groundwater shall arise or accrue to, nor shall any statute of limitations operate in regard to that groundwater in the state or any of them after the year 1956 in the four counties, and on and after January 1, 2007, in the balance of the state, in favor of any person required to file the notice of extraction and diversion of water, until that person files with the board the first “Notice of Extraction and Diversion of Water” substantially in the form mentioned in Section 5002; and as to each person who fails to file notice by the end of the year 1957 in the four counties and on and after January 1, 2008, in the balance of the state, it shall be deemed for the period from that time until the first notice is filed, that no claim of right to the extraction of groundwater from any source has been made by that person, and that water so extracted by that person from that groundwater source during that period

has not been devoted to or used for any beneficial use. The beneficial use of water from any groundwater source in any year by that person shall be deemed not to exceed the quantity reported in the notice filed for that year.

SEC. 6. Section 5004 of the Water Code is amended to read:

5004. (a) After the year 1959 in the four counties, and until January 1, 2008, failure to file with the board a notice required by this part for any calendar year within six months after the close of that calendar year shall be deemed equivalent for all purposes to nonuse for that year of any groundwater by each person failing to so file a notice within said period.

(b) Notwithstanding subdivision (a), this section and Section 5003 shall not apply to any person whose aggregate extractions of groundwater in any year does not exceed 25 acre-feet nor to any extractions of groundwater with respect to which no notice is required to be filed under this part.

(c) Any person who fails to submit statements required by this part shall be ineligible to receive funds made available pursuant to any program administered by the board, the department, or the California Bay-Delta Authority.

(d) Any person who fails to file a notice required under this part for a diversion or use that occurs on or after January 1, 2008, may be liable civilly as provided in subdivision (e). Nothing in this subdivision or in subdivision (e) shall be construed to prevent the board from issuing a warning upon a first offense.

(e) Civil liability may be administratively imposed by the board pursuant to Section 1055 in an amount not to exceed five hundred dollars (\$500) for each violation. In determining the appropriate amount, the board shall consider all relevant circumstances, including, but not limited to, all of the following factors:

- (1) The circumstances that led to the violation.
- (2) The extent of harm caused by the violation.
- (3) The nature and persistence of the violation.
- (4) The length of time over which the violation occurred.
- (5) Any corrective action undertaken by the violator.

(f) All funds recovered pursuant to this section shall be deposited in the Water Rights Fund established pursuant to Section 1550.

SEC. 7. Section 5005 of the Water Code is amended to read:

5005. Except as specified in Section 5004, failure to file the notice or delay in filing the same shall not cause the loss of rights to groundwater that existed on January 1, 1956, for persons in the four counties.

SEC. 8. Section 5009 of the Water Code is amended to read:

5009. (a) (1) Notwithstanding any other provision of this part, on and after January 1, 2005, in the four counties, and on and after January 1, 2007, in the balance of the state, each person who extracts groundwater in a board-designated local area, and who is otherwise subject to this part, shall file the required notice with the appropriate local agency designated pursuant to subdivision (e), instead of the board, in accordance with this part. The notice shall be on a form provided by the local agency and the content of the form shall be determined by the local agency in accordance with Section 5002. To the extent possible, the form shall consolidate the notice required under this section with other reports required by the local agency relating to the extraction of groundwater.

(2) A person who is subject to this section is subject to this part in the same manner and to the same extent as a person who files his or her notice with the board.

(b) Each notice filed with the local agency may include a filing fee determined by the local agency. If the local agency chooses to impose a filing fee, the local agency shall calculate the amount of the fee to pay for administrative expenses incurred in connection with the processing, compiling, and retaining of the notices, but in no event shall the fee amount exceed that amount charged by the board pursuant to Section 5006.

(c) The local agency shall make available to the public the information collected pursuant to this section.

(d) For the purposes of this section:

(1) “Board-designated local area” means the area entirely within the jurisdiction of the local agency that the board has determined shall be subject to this section and any area for which the local agency has formally agreed to accept the required notice for the purpose of consolidating the submittal of extraction data to the state.

(2) “Local agency” means the local public agency or court appointed watermaster that has been designated by the board in accordance with subdivision (e).

(e) The board shall designate an entity as a local agency for the purposes of this section if the board determines that all of the following apply:

- (1) The entity has volunteered to be designated.
- (2) The entity has responsibilities relating to the extraction or use of groundwater.
- (3) The entity has made satisfactory arrangements with the board to identify which groundwater extractors are within the designated local area and to avoid the submission of notices to both the board and one or more local agencies.
- (4) The entity has made satisfactory arrangements with the board to maintain records filed under this part for extractions within the designated local area, and to make those records available to governmental agencies.

SEC. 9. Section 5010 is added to the Water Code, to read:

5010. (a) Notwithstanding any other provision of this part, a person who extracts groundwater from a basin or subbasin need not file a notice otherwise required by this part if all of the following requirements are met:

- (1) The extraction occurs within an area managed pursuant to a groundwater management plan prepared in accordance with both Part 2.75 (commencing with Section 10750) of Division 6 and subdivision (b), or any other legally enforceable groundwater management plan with substantively similar provisions.
- (2) On or before December 31, 2006, the local agency or agencies representing the area, in a written statement submitted to the department, commit to comply with all of the requirements of this section.
- (3) On or before December 31, 2008, and thereafter on or before December 31 in years ending in 3 and 8, the local agency or agencies described in paragraph (2) submit to the department a report prepared pursuant to subdivision (c).
- (4) On or before December 31, 2010, and thereafter on or before December 31 in years ending in 2, 4, 6, 8, and 0, the local agency or agencies described in paragraph (2) submit to the department a report prepared pursuant to subdivision (d). In years in which both the report described in paragraph (3) and this paragraph are to be submitted, they may be combined as a single report if the single report meets the requirements of both subdivisions (c) and (d).

(b) The groundwater management plans required by paragraph (1) of subdivision (a) shall be developed in accordance with Part 2.75 (commencing with Section 10750) of Division 6, and in accordance with the following additional provisions:

(1) (A) The local agency shall update its groundwater management plan on or before December 31, 2008, and every five years thereafter. For the purpose of carrying out this subparagraph, the local agency shall evaluate the progress made in achieving the adopted basin management objectives, identify successes and shortcomings in meeting those objectives, revise the basin management objectives as appropriate, and develop a plan to achieve the basin management objectives as they may or may not be revised.

(B) Notwithstanding subparagraph (A), a local agency is not required to update a groundwater management plan on or before December 31, 2008, if its plan was adopted on or after January 1, 2004.

(2) Upon the adoption of a groundwater management plan in accordance with this section, the local agency shall submit a copy of the plan, in an electronic format if practicable, approved by the department, not later than 30 days after the date of adoption, to the entities identified in paragraph (3). The local agency shall submit copies of amendments or changes to the plan to the entities identified in paragraph (3) not later than 30 days after the date of adoption. The department shall make available to the public copies of the plan received pursuant to this section.

(3) A local agency shall submit a copy of its plan and amendments to each of the following entities:

(A) The department.

(B) Any city or county within which the groundwater basin lies in whole or in part.

(C) Any urban water supplier that extracts or provides water supplies within the groundwater basin.

(D) Any agricultural water supplier that extracts or provides water supplies within the groundwater basin.

(E) Any city or county library within which district the groundwater basin lies in whole or in part.

(F) The California State Library.

(G) Any local agency formation commission within which county the groundwater basin lies in whole or in part.

(4) Not later than 30 days after the date of adopting its plan, the local agency shall make the plan available for public review on the local agency's Internet Web site. A local agency that does not have an Internet Web site shall submit to the department, not later than 30 days after the date of adopting its plan, a copy of the adopted plan in an electronic format. The department shall make the plan available for public review on the department's Internet Web site.

(c) The reports required by paragraph (3) of subdivision (a) shall, at a minimum, include all of the following:

(1) A description of groundwater conditions and groundwater management activities in the basin or subbasin, issues of concern, and a general discussion of historical and projected water demands and supplies.

(2) A map showing the area under management and the boundaries of the local agencies that overlie the basin or subbasin.

(3) A description of the groundwater monitoring program for the basin or subbasin.

(4) A description of the established management objectives for the basin or subbasin.

(d) The reports required by paragraph (4) of subdivision (a) shall, at a minimum, include all of the following:

(1) A map indicating the general locations of all groundwater monitoring wells.

(2) Monitoring results for the prior two years, including "depths to groundwater" and a general description of conditions in the basin or subbasin.

(3) Data from a sufficient number of monitoring wells and appropriate data analyses to allow the local agency to make an evaluation as to whether basin or subbasin management objectives are being achieved.

(e) It is the intent of the Legislature that if there are multiple local agencies that have adopted groundwater management plans on behalf of a groundwater basin or subbasin, any report submitted pursuant to subdivision (c) for that basin or subbasin be developed cooperatively by those agencies and be submitted jointly by those local agencies or by one of those local agencies that is jointly designated by the other local agencies to submit the report on behalf of all of those local agencies.

(f) If there are multiple local agencies that have adopted groundwater management plans on behalf of a groundwater basin or subbasin, any report submitted pursuant to subdivision (d) for that basin or subbasin shall be jointly submitted by those local agencies or by one of those local agencies that is jointly designated by the other local agencies to submit the report on behalf of all of those local agencies.

(g) The department shall work cooperatively with all local agencies that submit written statements pursuant to paragraph (2) of subdivision (a) to reach agreement on the criteria for evaluating reports submitted pursuant to paragraph (3) or (4) of subdivision (a). The department shall use those criteria in evaluating those reports.

(h) The department shall review each report submitted pursuant to this section to determine whether the report meets the requirements of this section. The department shall make its determination within 90 days of the date of receipt of each report. If the department fails to make a determination within 90 days, the report shall be deemed to have met the requirements of this section.

(i) If the department determines that a report submitted pursuant to this section meets the requirements of this section, the department shall inform both the local agency and the board of that determination, and shall inform those entities that persons extracting groundwater within the area covered by the report are not required to file notices otherwise required by this part for the current and following year.

(j) If the department determines that a report submitted pursuant to this section does not meet the requirements of this section, the department shall inform the local agency of that determination and the specific reason or reasons why the report does not meet the requirements.

(1) Not later than 90 days after notification of the report's failure to meet the requirements of this section, the local agency may correct any deficiency and resubmit the report to the department.

(2) If the department determines that the resubmitted report meets the requirements of this section, the department shall notify the local agency and the board of that determination pursuant to subdivision (i).

(3) If the department determines that the resubmitted report fails to meet the requirements of this section, or if the local agency fails to resubmit a corrected report within the period described in paragraph (1), the department shall do both of the following:

(A) Inform the local agency that the report does not meet all of the requirements of this section and the specific reason or reasons why the report does not meet the requirements.

(B) Inform the board that the report does not meet the requirements of this section, and that the persons extracting groundwater from that basin or subbasin are required to file notices required by this part for the current and following year.

(k) The department shall use information included in reports submitted pursuant to this section only for the purposes of updating or revising Bulletin 118 in accordance with Section 12924.

SEC. 10. Section 5011 is added to the Water Code, to read:

5011. (a) Notwithstanding any other provision of this part, a person who extracts groundwater from a basin or subbasin need not file a notice otherwise required by this part if all of the following requirements are met:

(1) The extraction occurs within an area managed pursuant to a regional water management plan prepared pursuant to Part 2.2 (commencing with Section 10530) of Division 6, and the regional water management plan includes a groundwater management plan that complies with the requirements of Section 10753.7.

(2) On or before December 31, 2006, the local agency or agencies representing the area, in a written statement submitted to the department, commit to comply with all of the requirements of this section.

(3) On or before December 31, 2008, and thereafter on or before December 31 in years ending in 3 and 8, the local agency or agencies described in paragraph (2) submit to the department a report prepared pursuant to subdivision (b).

(4) On or before December 31, 2010, and thereafter on or before December 31 in years ending in 2, 4, 6, 8, and 0, the local agency or agencies described in paragraph (2) submit to the department a report prepared pursuant to subdivision (c). In years in which both the report described in paragraph (3) and this

paragraph are to be submitted, they may be combined as a single report if the single report meets the requirements of both subdivisions (b) and (c).

(b) The reports required by paragraph (3) of subdivision (a) shall, at a minimum, include all of the following:

(1) A description of groundwater conditions and groundwater management activities in the basin or subbasin, issues of concern, and a general discussion of historical and projected water demands and supplies.

(2) A map showing the area under management and the boundaries of the local agencies that overlie the basin or subbasin.

(3) A description of the groundwater monitoring program for the basin or subbasin.

(4) A description of the established management objectives for the basin or subbasin.

(c) The reports required by paragraph (4) of subdivision (a) shall, at a minimum, include all of the following:

(1) A map indicating the general locations of all groundwater monitoring wells.

(2) Monitoring results for the prior two years, including “depths to groundwater” and a general description of conditions in the basin or subbasin.

(3) Data from a sufficient number of monitoring wells and appropriate data analyses to allow the local agency to make an evaluation as to whether basin or subbasin management objectives are being achieved.

(d) It is the intent of the Legislature that, if there are multiple local agencies that have adopted groundwater management plans on behalf of a groundwater basin or subbasin, any report submitted pursuant to subdivision (b) for that basin or subbasin be developed cooperatively by those agencies and be submitted jointly by those local agencies or by one of those local agencies that is jointly designated by the other local agencies to submit the report on behalf of all of those local agencies.

(e) If there are multiple local agencies that have adopted groundwater management plans on behalf of a groundwater basin or subbasin, any report submitted pursuant to subdivision (c) for that basin or subbasin shall be jointly submitted by those local agencies or by one of those local agencies that is jointly

designated by the other local agencies to submit the report on behalf of all of those local agencies.

(f) The department shall work cooperatively with all local agencies that submit written statements pursuant to paragraph (2) of subdivision (a) to reach agreement on the criteria for evaluating reports submitted pursuant to paragraph (3) or (4) of subdivision (a). The department shall use those criteria in evaluating those reports.

(g) The department shall review each report submitted pursuant to this section to determine whether the report meets the requirements of this section. The department shall make its determination within 90 days of the date of receipt of each report. If the department fails to make a determination within 90 days, the report shall be deemed to have met the requirements of this section.

(h) If the department determines that a report submitted pursuant to this section meets the requirements of this section, the department shall inform both the local agency and the board of that determination, and shall inform those entities that persons extracting groundwater within the area covered by the report are not required to file notices otherwise required by this part for the current and following year.

(i) If the department determines that a report submitted pursuant to this section does not meet the requirements of this section, the department shall inform the local agency of that determination and the specific reason or reasons why the report does not meet the requirements.

(1) Not later than 90 days after the date of notification of the report's failure to meet the requirements of this section, the local agency may correct any deficiency and resubmit the report to the department.

(2) If the department determines that the resubmitted report meets the requirements of this section, the department shall notify the local agency and the board of that determination pursuant to subdivision (h).

(3) If the department determines that the resubmitted report fails to meet the requirements of this section, or if the local agency fails to resubmit a corrected report within the period described in paragraph (1), the department shall do both of the following:

(A) Inform the local agency that the report does not meet all of the requirements of this section and the specific reason or reasons why the report does not meet the requirements.

(B) Inform the board that the report does not meet the requirements of this section, and that the persons extracting groundwater from that basin or subbasin are required to file notices required by this part for the current and following year.

(j) The department shall use information included in reports submitted pursuant to this section only for the purposes of updating or revising Bulletin 118 in accordance with Section 12924.

SEC. 11. Section 5101 of the Water Code is amended to read:

5101. Each person who, after December 31, 1965, diverts water shall file with the board, prior to July 1 of the succeeding year, a statement of his or her diversion and use; provided, however, that no statement need be filed if the diversion is any of the following:

(a) From a spring which does not flow off the property on which it is located.

(b) Covered by a permit or license to appropriate water, or a registration of appropriation for small domestic or livestock stockpond uses, on file with the board.

(c) Included in a notice filed pursuant to Part 5 (commencing with Section 4999) of this division.

(d) Regulated by a watermaster appointed by the department.

(e) Included in annual reports filed with a court or the board by a watermaster appointed by a court or pursuant to statute to administer a final judgment determining rights to water, which reports identify the persons who have diverted water and give the general place of use and the quantity of water which has been diverted from each source.

(f) For use in compliance with the provisions of Article 2.5 (commencing with Section 1226) of Chapter 1 of Part 2 of this division.

(g) A diversion by the department from state water facilities to satisfy prior rights as reported in the department's annual Bulletin 132, entitled "Management of the California State Water Project."

(h) A diversion that occurs before January 1, 2006, if any of the following applies:

(1) The diversion is covered by an application to appropriate water on file with the board.

(2) The diversion is reported by the department in its hydrologic data bulletins.

(3) The diversion is included in the consumptive use data for the delta lowlands published by the department in its hydrologic data bulletins.

SEC. 12. Section 5107 of the Water Code is amended to read:

5107. (a) The making of any willful misstatement pursuant to this part is a misdemeanor punishable by a fine not exceeding one thousand dollars (\$1,000) or by imprisonment in the county jail for not to exceed six months, or both.

(b) Any person who fails to file a statement required to be filed under this part for a diversion or use that occurs on or after January 1, 2006, or who makes a material misstatement pursuant to this part may be liable civilly as provided in subdivision (c). Nothing in this subdivision or in subdivision (c) shall be construed to prevent the board from issuing a warning upon a first offense.

(c) Civil liability may be administratively imposed by the board pursuant to Section 1055 in an amount not to exceed five hundred dollars (\$500) for each violation. In determining the appropriate amount, the board shall consider all relevant circumstances, including, but not limited to, all of the following factors:

- (1) The circumstances that led to the violation.
- (2) The extent of harm caused by the violation.
- (3) The nature and persistence of the violation.
- (4) The length of time over which the violation occurs.
- (5) Any corrective action undertaken by the violator.

(d) All funds recovered pursuant to this section shall be deposited in the Water Rights Fund established pursuant to Section 1550.

(e) Any person who fails to file a statement required to be filed under this part for a diversion or use that occurs on or after January 1, 2006, is ineligible for funds made available pursuant to any program administered by the board, the department, or the California Bay-Delta Authority.

SEC. 13. Section 10004.5 of the Water Code is amended to read:

10004.5. As part of the requirement of the department to update The California Water Plan pursuant to subdivision (b) of Section 10004, the department shall include in the plan a discussion of all of the following:

(a) Various strategies, including, but not limited to, those relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers that may be pursued in order to meet the future water needs of the state.

(b) For a plan that is due on or after December 31, 2013, the amount of energy both produced by, and required by, each strategy during periods of both peak and nonpeak use, including consideration of the costs and benefits of the energy both produced and required by each strategy.

(c) The potential for alternative water pricing policies to change current and projected uses.

(d) The potential advantages and disadvantages of each strategy and an identification of all federal and state permits, approvals, or entitlements that are anticipated to be required in order to implement the various components of the strategy.

SEC. 14. Section 10004.6 of the Water Code is amended to read:

10004.6. (a) As part of updating The California Water Plan every five years pursuant to subdivision (b) of Section 10004, the department shall conduct a study to determine the amount of water needed to meet the state's future needs and to recommend programs, policies, and facilities to meet those needs.

(b) The department shall consult with the advisory committee established pursuant to subdivision (b) of Section 10004 in carrying out this section.

(c) One year prior to issuing each update to The California Water Plan, the department shall release a preliminary draft of the assumptions and other estimates upon which the study will be based, to interested persons and entities throughout the state for their review and comments. The department shall provide these persons and entities an opportunity to present written or oral comments on the preliminary draft. The department shall consider these documents when adopting the final assumptions and estimates for the study. For the purpose of carrying out this

subdivision, the department shall release, at a minimum, assumptions and other estimates relating to all of the following:

(1) Basin hydrology, including annual rainfall, estimated unimpaired stream flow, depletions, and consumptive uses.

(2) Groundwater supplies, including estimates of sustainable yield, supplies necessary to recover overdraft basins, and supplies lost due to pollution and other groundwater contaminants.

(3) Current and projected land use patterns, including the mix of residential, commercial, industrial, agricultural, and undeveloped lands.

(4) Environmental water needs, including regulatory instream flow requirements, nonregulated instream uses, and water needs by wetlands, preserves, refuges, and other managed and unmanaged natural resource lands.

(5) Current and projected population.

(6) Current and projected water use for all of the following:

(A) Interior uses in a single-family dwelling.

(B) Exterior uses in a single-family dwelling.

(C) All uses in a multifamily dwelling.

(D) Commercial uses.

(E) Industrial uses.

(F) Parks and open spaces.

(7) Evapotranspiration rates for major crop types, including estimates of evaporative losses by irrigation practice and the extent to which evaporation reduces transpiration.

(8) Current and projected adoption of urban and agricultural conservation practices.

(9) Current and projected supplies of water provided by water recycling and reuse.

(10) For a preliminary draft of the assumptions and other estimates due on or after December 31, 2012, the amount of energy both produced by and required to provide current and projected water supplies during periods of both peak and nonpeak use, including consideration of the costs and benefits of the energy both produced and required by the current and projected water supplies.

(d) The department shall include a discussion of the potential for alternative water pricing policies to change current and

projected water uses identified pursuant to paragraph (6) of subdivision (c).

(e) Nothing in this section requires or prohibits the department from updating any data necessary to update The California Water Plan pursuant to subdivision (b) of Section 10004.

SEC. 15. Section 10620 of the Water Code is amended to read:

10620. (a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (1) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide water management planning where those plans will reduce preparation costs and contribute to the achievement of conservation and efficient water use.

(2) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, public utilities that provide electric or gas service, and other relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources, improve water supply reliability, and minimize the need to import water from other regions.

SEC. 16. Section 10631 of the Water Code is amended to read:

10631. A plan shall be adopted in accordance with this chapter and shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

(2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

(3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

- (1) An average water year.
- (2) A single dry water year.
- (3) Multiple dry water years.

For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e) Quantify the amount of energy both produced by, and required by, each existing and planned water source identified in subdivisions (b) and (d) during periods of both peak and nonpeak use, including consideration of the costs and benefits of the energy both produced by, and required by, each source.

(f) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors including, but not necessarily limited to, all of the following uses:

- (A) Single-family residential.
- (B) Multifamily.
- (C) Commercial.
- (D) Industrial.
- (E) Institutional and governmental.
- (F) Landscape.
- (G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

- (I) Agricultural.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(g) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) A description of each water demand management measure that is currently being implemented, or scheduled for implementation, including the steps necessary to implement any proposed measures, including, but not limited to, all of the following:

(A) Water survey programs for single-family residential and multifamily residential customers.

(B) Residential plumbing retrofit.

(C) System water audits, leak detection, and repair.

(D) Metering with commodity rates for all new connections and retrofit of existing connections.

(E) Large landscape conservation programs and incentives.

(F) High-efficiency washing machine rebate programs.

(G) Public information programs.

(H) School education programs.

(I) Conservation programs for commercial, industrial, and institutional accounts.

(J) Wholesale agency programs.

(K) Conservation pricing.

(L) Water conservation coordinator.

(M) Water waste prohibition.

(N) Residential ultra-low-flush toilet replacement programs.

(2) A schedule of implementation for all water demand management measures proposed or described in the plan.

(3) A description of the methods, if any, that the supplier will use to evaluate the effectiveness of water demand management measures implemented or described under the plan.

(4) An estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of the savings on the supplier's ability to further reduce demand.

(h) An evaluation of each water demand management measure listed in paragraph (1) of subdivision (g) that is not currently being implemented or scheduled for implementation. In the course of the evaluation, first consideration shall be given to water demand management measures, or combination of measures, that offer lower incremental costs than expanded or

additional water supplies. This evaluation shall do all of the following:

(1) Take into account economic and noneconomic factors, including environmental, social, health, customer impact, and technological factors.

(2) Include a cost-benefit analysis, identifying total benefits and total costs, including, but not limited to, the energy costs and benefits of conserved water during periods of peak and nonpeak use.

(3) Include a description of funding available to implement any planned water supply project that would provide water at a higher unit cost.

(4) Include a description of the water supplier's legal authority to implement the measure and efforts to work with other relevant agencies to ensure the implementation of the measure and to share the cost of implementation.

(i) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use as established pursuant to subdivision (a) of Section 10635, including a discussion of supply sources and management programs considered but rejected and the extent to which the urban water supplier has diversified its sources of supply as a means to improve overall reliability. The urban water supplier shall include a detailed description of expected future projects and programs, other than the demand management programs identified pursuant to paragraph (1) of subdivision (g), that the urban water supplier may implement to increase the amount, improve the reliability, or improve the quality, of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in the amount of water supply, improvements to water quality, if any, and the planned reliability of the supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(j) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

(k) Urban water suppliers that are members of the California Urban Water Conservation Council and submit annual reports to that council in accordance with the “Memorandum of Understanding Regarding Urban Water Conservation in California,” dated September 1991, may submit the annual reports identifying water demand management measures currently being implemented, or scheduled for implementation, to satisfy the requirements of subdivisions (g) and (h).

(l) Urban water suppliers that rely upon a wholesale agency for a source of water, shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier’s plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

SEC. 17. Section 10642 of the Water Code is amended to read:

10642. (a) Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan.

Before adopting the plan, the urban water supplier shall do all of the following:

(1) Publish notice of the availability for review of a proposed plan one time in a newspaper of general circulation in the jurisdiction of the urban water supplier and by first-class mail to organizations and individuals who have previously requested notice in writing. The notice shall also set forth the dates of the public review period for the proposed plan; the date, time, and place of a scheduled public meeting to receive input concerning the contents of the plan; and the date, time, and place of a scheduled public hearing at which the adoption of the proposed plan will be considered.

(2) Provide a public review period for the proposed plan of not less than 30 days.

(3) Hold a public meeting during the noticed public review period.

(4) Provide notice of the time and place of the plan adoption hearing to the legislative body of any city or county within which the supplier provides water supplies. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing, the plan shall be adopted as prepared or as modified after the hearing.

(b) Before the adoption of the plan, an urban water supplier shall evaluate and respond only to those written comments it receives during the noticed public review period. The responses shall describe the disposition of each significant issue raised by commenters that is properly the subject of the plan. If an urban water supplier does not make revisions in response to a comment or group of similar comments raising a major issue on which the supplier's position is at variance with the recommendations or objections raised in the comment, the supplier shall state the reasons therefor, or determine that the comment or comments do not raise issues that are relevant to the subject of the plan. Revisions or responses may be set forth in a separate section of, or appendix to, the plan.

(c) Once a plan has been adopted in accordance with subdivision (a), a plan may be amended or changed at any time within the five-year update period, if the requirements described in subdivision (b) of Section 10621 are met and a public hearing is held to consider those amendments or changes.

SEC. 18. Section 10644 of the Water Code is amended to read:

10644. (a) An urban water supplier shall submit to the entities listed in subdivision (b) a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be submitted to the entities listed in subdivision (b) within 30 days after adoption.

(b) An urban water supplier shall file a copy of its plan and amendments or changes with each of the following entities:

(1) The department.

(2) Any city or county within which the urban water supplier provides water supplies.

(3) Any groundwater management entity within which the urban water supplier extracts or provides water supplies.

(4) Any agricultural water supplier within which district the urban water supplier provides water supplies.

(5) Any city or county library within which district the urban water supplier provides water supplies.

(6) The California State Library.

(7) Any local agency formation commission within which county the urban water supplier provides water supplies.

(c) The department shall prepare and submit to the Legislature, on or before December 31, in the years ending in six and one, a report summarizing the status of the plans adopted pursuant to this part. The report prepared by the department shall identify the outstanding elements of the individual plans. The department shall provide a copy of the report to each urban water supplier that has submitted its plan to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans submitted pursuant to this part.

SEC. 19. Section 10645 of the Water Code is amended to read:

10645. Not later than 30 days after adopting its plan, the urban water supplier shall make the plan available for public review on the Internet Web site of the urban water supplier.

SEC. 20. Section 10656 of the Water Code is amended to read:

10656. An urban water supplier that does not prepare, adopt, and submit its urban water management plan in accordance with this part, is ineligible to receive funds made available pursuant to any program administered by the board, the department, or the California Bay-Delta Authority until the urban water management plan is submitted pursuant to this article.

SEC. 21. Section 10657 of the Water Code is repealed.

SEC. 22. Section 10657 is added to the Water Code, to read:

10657. The amendments to this part enacted at the 2005-06 Regular Session of the Legislature shall not apply to those urban water management plans required by this part to be adopted on or before January 1, 2006.

SEC. 23. Section 10753.7 of the Water Code is amended to read:

10753.7. (a) For the purposes of qualifying as a groundwater management plan under this section, a plan shall contain the components that are set forth in this section. In addition to the requirements of a specific funding program, any local agency seeking state funds administered by the department, the board, or the California Bay-Delta Authority for the construction of groundwater projects or groundwater quality projects, excluding programs that are funded under Part 2.78 (commencing with Section 10795), shall do all of the following:

(1) Prepare and implement a groundwater management plan that includes basin management objectives for the groundwater basin that is subject to the plan. The plan shall include components relating to the monitoring and management of groundwater levels within the groundwater basin, groundwater quality degradation, inelastic land surface subsidence, and changes in surface flow and surface water quality that directly affect groundwater levels or quality or are caused by groundwater pumping in the basin.

(2) For the purposes of carrying out paragraph (1), the local agency shall prepare a plan to involve other agencies that enables the local agency to work cooperatively with other public entities whose service area or boundary overlies the groundwater basin.

(3) For the purposes of carrying out paragraph (1), the local agency shall prepare a map that details the area of the groundwater basin, as defined in the department's Bulletin No. 118, and the area of the local agency, that will be subject to the plan, as well as the boundaries of other local agencies that overlie the basin in which the agency is developing a groundwater management plan.

(4) The local agency shall adopt monitoring protocols that are designed to detect changes in groundwater levels, groundwater quality, inelastic surface subsidence for basins for which subsidence has been identified as a potential problem, and flow and quality of surface water that directly affect groundwater levels or quality or are caused by groundwater pumping in the basin. The monitoring protocols shall be designed to generate information that promotes efficient and effective groundwater management.

(5) Local agencies that are located in areas outside the groundwater basins delineated on the latest edition of the

department's groundwater basin and subbasin map shall prepare groundwater management plans incorporating the components in this subdivision, and shall use geologic and hydrologic principles appropriate to those areas.

(6) (A) The local agency shall update the plan on or before December 31, 2008, and every five years thereafter. For the purpose of carrying out this subparagraph, the local agency shall evaluate the progress made in achieving the adopted basin management objectives, identify successes and shortcomings in meeting those objectives, revise the basin management objectives as appropriate, and develop a plan to achieve the basin management objectives as they may or may not be revised. The updated plans are due on or before December 31 in years ending in three and eight.

(B) Notwithstanding subparagraph (A), a local agency is not required to update a groundwater management plan on or before December 31, 2008, if their plan was adopted on or after January 1, 2004.

(b) (1) (A) A local agency may receive state funds administered by the department for the construction of groundwater projects or for other projects that directly affect groundwater levels or quality if it prepares and implements, participates in, or consents to be subject to, a groundwater management plan, a basinwide management plan, or other integrated regional water management program or plan that meets, or is in the process of meeting, the requirements of subdivision (a). A local agency with an existing groundwater management plan that meets the requirements of subdivision (a), or a local agency that completes an upgrade of its plan to meet the requirements of subdivision (a) within one year of applying for funds, shall be given priority consideration for state funds administered by the department over local agencies that are in the process of developing a groundwater management plan. The department shall withhold funds from the project until the upgrade of the groundwater management plan is complete.

(B) Notwithstanding subparagraph (A), a local agency that manages groundwater under any other provision of existing law that meets the requirements of subdivision (a), or that completes an upgrade of its plan to meet the requirements of subdivision (a) within one year of applying for funding, shall be eligible for

funding administered by the department. The department shall withhold funds from a project until the upgrade of the groundwater management plan is complete.

(C) Notwithstanding subparagraph (A), a local agency that conforms to the requirements of an adjudication of water rights in the groundwater basin is in compliance with subdivision (a). For purposes of this section, an “adjudication” includes an adjudication under Section 2101, an administrative adjudication, and an adjudication in state or federal court.

(D) Subparagraphs (A) and (B) do not apply to proposals for funding under Part 2.78 (commencing with Section 10795), or to funds authorized or appropriated prior to September 1, 2002.

(2) Upon the adoption of a groundwater management plan in accordance with this part, the local agency shall submit a copy of the plan, in an electronic format if practicable, approved by the department, not later than 30 days after the date of adoption, to the entities identified in paragraph (3). The local agency shall submit copies of amendments or changes to the plan to the entities identified in paragraph (3) not later than 30 days after the date of adoption. The department shall make available to the public copies of the plan received pursuant to this part.

(3) A local agency shall submit a copy of its plan and amendments to each of the following:

(A) The department.

(B) Any city or county within which the groundwater basin lies in whole or in part.

(C) Any urban water supplier that extracts or provides water supplies within the groundwater basin.

(D) Any agricultural water supplier that extracts or provides water supplies within the groundwater basin.

(E) Any city or county library within which district the groundwater basin lies in whole or in part.

(F) The California State Library.

(G) Any local agency formation commission within which county the groundwater basin lies in whole or in part.

(4) Not later than 30 days after the date of adopting its plan, the local agency shall make the plan available for public review on the local agency’s Internet Web site.

SEC. 24. Section 10811 of the Water Code is repealed.

SEC. 25. Section 10811 is added to the Water Code, to read:

10811. “Water conservation” means the use of practices, techniques, and technologies that improve efficiency in the use of water.

SEC. 26. Section 10814 of the Water Code is amended to read:

10814. “Plan” means an agricultural water management plan prepared pursuant to this part. A plan shall describe and evaluate reasonable and practical efficient uses and cost-effective conservation activities. The plan shall address measures for agricultural water management as set forth in Article 2 (commencing with Section 10825) of Chapter 3. In addition, a strategy and time schedule for implementation shall be included in the plan.

SEC. 27. Section 10816 of the Water Code is amended to read:

10816. (a) The Legislature finds and declares that there are insufficient objective data to determine the proper size of an agricultural water supplier that should prepare an agricultural water management plan pursuant to this part. The Legislature further finds and declares that the factors that should be considered in making such a determination include all of the following:

- (1) The amount of water delivered by the agency.
- (2) The number of customers of the agency.
- (3) The agency’s technical and financial capacity to prepare a plan.
- (4) The potential contribution of such a plan to the improvement of the local and regional efficiency of agricultural water use.

(b) (1) The department shall conduct a survey of agricultural water agencies to gather data, assess and analyze that data, and recommend the appropriate minimum size of a water agency that should prepare an agricultural water management plan pursuant to Section 10820.

(2) It is the intent of the Legislature that, in finalizing its recommendations, the department consult with those agricultural water agencies that would meet or narrowly exceed the recommended threshold, as well as other interested parties.

(3) The department shall report its findings and recommendations to the Governor and the Legislature before January 1, 2007.

(c) It is the intent of the Legislature to respond to the department's report, as provided in subdivision (b), and enact legislation defining the term "agricultural water supplier" as used in Section 10820.

SEC. 28. Section 10820 of the Water Code is repealed.

SEC. 29. Section 10820 is added to the Water Code, to read:

10820. (a) An agricultural water supplier shall prepare and adopt an agricultural water management plan in the manner set forth in this chapter on or before December 31, 2010.

(b) Every person that becomes an agricultural water supplier shall adopt an agricultural water management plan within one year after the date it has become an agricultural water supplier.

(c) An agricultural water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10825) that would be applicable to agricultural water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (1) An agricultural water supplier may satisfy the requirements of this part by adopting an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) or by participation in areawide, regional, watershed, or basinwide water management planning if those plans will reduce preparation costs and contribute to the achievement of conservation and efficient water use.

(2) An agricultural water supplier, to the extent practicable, shall coordinate the preparation of its plan with other appropriate agencies in the area, including, but not limited to, other water suppliers that share a common source, water management agencies, and relevant public agencies.

(e) An agricultural water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An agricultural water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

SEC. 30. Section 10821 of the Water Code is repealed.

SEC. 31. Section 10821 is added to the Water Code, to read:

10821. (a) An agricultural water supplier shall update its plan at least once every five years on or before December 31, in years ending in five and zero.

(b) An agricultural water supplier required to prepare a plan pursuant to this part shall notify any city or county within which the supplier provides water supplies that the agricultural water supplier will be reviewing the plan and considering amendments or changes to the plan. The agricultural water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10840).

SEC. 32. Section 10822 of the Water Code is repealed.

SEC. 33. Section 10823 of the Water Code is repealed.

SEC. 34. Section 10824 of the Water Code is repealed.

SEC. 35. Section 10825 of the Water Code is repealed.

SEC. 36. Section 10825 is added to the Water Code, to read:

10825. It is the intent of the Legislature, in enacting this part, to allow levels of water management planning commensurate with the numbers of customers served and the volume of water supplied.

SEC. 37. Section 10826 of the Water Code is repealed.

SEC. 38. Section 10826 is added to the Water Code, to read:

10826. A plan shall be adopted in accordance with this chapter and shall do all of the following:

(a) Describe the agricultural water supplier and the service area, including all of the following:

- (1) History and size of the service area.
- (2) Location of the service area and its water management facilities.
- (3) Terrain and soils.
- (4) Climate.
- (5) Operating rules and regulations.
- (6) Water delivery measurements or calculations.
- (7) Water rate schedules and billing.
- (8) Water shortage allocation policies.

(b) Describe the quantity and quality of water resources of the agricultural water supplier, including all of the following:

- (1) Surface water supply.
- (2) Groundwater supply.
- (3) Other water supplies.
- (4) Source water quality monitoring practices.
- (5) Water uses within the water supplier's service area,

including all of the following:

- (A) Agricultural.
- (B) Environmental.
- (C) Recreational.
- (D) Municipal and industrial.
- (E) Groundwater recharge.
- (F) Transfers and exchanges.
- (G) Other water uses.
- (6) Drainage from the water supplier service area.
- (7) Water accounting, including:
 - (A) Quantifying the water supplier's water supplies.
 - (B) Tabulate water uses.
 - (C) Overall water budget.
- (8) Water supply reliability.
- (c) Review previous water management activities.
- (d) Identify efficient water management practices.

(e) Develop a schedule for program implementation, estimate the budget needed for implementation, and identify the results expected from full implementation of the agricultural water management plan.

SEC. 39. Section 10826.1 is added to the Water Code, to read:

10826.1. Agricultural water suppliers that are members of the Agricultural Water Management Council, and that submit water management plans to that council in accordance with the "Memorandum of Understanding Regarding Efficient Water Management Practices By Agricultural Water Suppliers In California," dated January 1, 1999, may submit the water management plans identifying water demand management measures currently being implemented, or scheduled for implementation, to satisfy the requirements of Section 10826.

SEC. 40. Section 10826.2 is added to the Water Code, to read:

10826.2. (a) Agricultural water suppliers that are required to submit water conservation plans to the United States Bureau of Reclamation pursuant to either the Central Valley Project Improvement Act (P.L. 102-575) or the Reclamation Reform Act of 1982, or both, may submit those water conservation plans to satisfy the requirements of Section 10826, if both of the following apply:

(1) The agricultural water supplier has adopted and submitted the water conservation plan to the United States Bureau of Reclamation within the previous four years.

(2) The United States Bureau of Reclamation has accepted the water conservation plan as adequate.

(b) Notwithstanding subdivision (a) of Section 10821, nothing in this part is intended to require agricultural water suppliers that are required to submit water conservation plans to the United States Bureau of Reclamation pursuant to either the Central Valley Project Improvement Act (P.L. 102-575) or the Reclamation Reform Act of 1982, or both, to develop and adopt water conservation plans on a schedule different from that required by the United States Bureau of Reclamation.

SEC. 41. Section 10840 of the Water Code is amended to read:

10840. Every agricultural water supplier shall prepare its plan pursuant to Article 2 (commencing with Section 10825).

SEC. 42. Section 10841 of the Water Code is amended to read:

10841. An agricultural water supplier required to prepare a plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water conservation and reclamation and management methods and techniques.

SEC. 43. Section 10844 of the Water Code is amended to read:

10844. (a) An agricultural water supplier shall file with the entities listed in subdivision (b) a copy of its plan no later than 30 days after adoption. Copies of amendments or changes to the plans shall be filed with the entities listed in subdivision (b) within 30 days after adoption.

(b) An agricultural water supplier shall file a copy of its plan and amendments or changes to the plan with each of the following entities:

- (1) The department.
- (2) Any city or county, or city and county, within which the agricultural water supplier provides water supplies.
- (3) Any groundwater management entities within which the agricultural water supplier extracts or provides water supplies.
- (4) Any urban water supplier within which district the agricultural water supplier provides water supplies.
- (5) Any city or county library within which district the agricultural water supplier provides water supplies.
- (6) The California State Library.
- (7) Any local agency formation commission within which county the agricultural water supplier provides water supplies.

(c) The department shall prepare and submit to the Legislature, on or before December 31, in the years ending in six and one, a report summarizing the status of the plans adopted pursuant to this part. The report prepared by the department shall identify the outstanding elements of the individual plans. The report shall include an evaluation of the effectiveness of this part in promoting efficient agricultural water management practices and shall include recommendations relating to proposed changes to this part, as appropriate. The department shall provide a copy of the report to each agricultural water supplier that has submitted its plan to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans submitted pursuant to this part. Nothing in this subdivision authorizes the department, in preparing the report, to approve, disapprove, or critique individual plans submitted pursuant to this part.

SEC. 44. Section 10845 of the Water Code is repealed.

SEC. 45. Section 10845 is added to the Water Code, to read:

10845. (a) Not later than 30 days after the date of adopting its plan, the agricultural water supplier shall make the plan available for public review on the agricultural water supplier's Internet Web site.

(b) An agricultural water supplier that does not have an Internet Web site shall submit to the department, not later than 30 days after the date of adopting its plan, a copy of the adopted

plan in an electronic format. The department shall make the plan available for public review on the department's Web site.

SEC. 46. Section 10853 of the Water Code is repealed.

SEC. 47. Section 10853 is added to the Water Code, to read:

10853. The adoption of a plan as specified in Section 10820 satisfies any requirements of state statute, regulation, or order, including those of the board, for the preparation of water management plans. If the board requires additional information concerning water conservation to implement its existing authority, nothing in this part limits that board in obtaining that information.

SEC. 48. Section 10854 of the Water Code is repealed.

SEC. 49. Section 10854 is added to the Water Code, to read:

10854. An agricultural water supplier that does not prepare, adopt, and submit its agricultural water management plan in accordance with this part, is ineligible to receive funds made available pursuant to any program administered by the board, the department, or the California Bay-Delta Authority until the agricultural water management plan is submitted pursuant to this article.

SEC. 50. Section 10855 of the Water Code is repealed.

SEC. 51. Section 12924 of the Water Code is amended to read:

12924. (a) The department, in conjunction with other public agencies, shall conduct an investigation of the state's groundwater basins. The department shall identify the state's groundwater basins on the basis of geological and hydrological conditions and consideration of political boundary lines whenever practical. The department shall also investigate existing general patterns of groundwater pumping and groundwater recharge within basins to the extent necessary to identify basins which are subject to critical conditions of overdraft.

(b) The department shall report its findings to the Governor and the Legislature not later than January 1, 2010, and thereafter in years ending in 5 and 0.

(c) For the report due not later than January 1, 2010, in addition to the other information required by this section, the department shall assess the effectiveness of the groundwater management reports, due on or before December 31, 2008, that

were submitted pursuant to Sections 5010 and 5011. The assessment shall include all of the following:

(1) The extent of coverage of the basins or subbasins reflected in those reports.

(2) The effectiveness and utility of those reports.

(3) Recommendations for improving the requirements for the exemption from reporting extractions pursuant to Sections 5010 and 5011, including, but not limited to, any additional incentives or potential penalties for noncompliance with the reporting requirements of those sections.

Approved _____, 2005

Governor